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MEMORANDUM OF CONVERSATION

PARTICIPANTS: Dr. Daniel Burt, Member of the Radical Liberal
Party Directorate
Russell J. Surber, Political Officer

DATE/PLACE: October 30, 1972, Office of Russell Surber

SUBJECT: Radical Liberal Party Politics

DISTRIBUTION: ARA/LA/APU , INR/RAA

Dr. Burt called on me to discuss recent developments within the Radical Liberal Party as it prepares for its November 11 National Convention at which a new Party Directorate will be elected.

Dr. Burt expressed frustration and showed anger at what he described as the "machinations" of the Justo Pastor Benítez faction in the campaign to win delegate votes. Burt claimed that the Benítez faction was tampering with precinct elections by bringing in busloads of Benítez supporters from outside the district. As an example, Burt said that the González faction, of which he is a member, had lost the Luque delegation after Pastor Benítez had brought in over 300 persons from the Caaguazú area.

I raised the question of the twice-postponed precinct meeting at Coronel Oviedo and Dr. Burt said this was another example of the Benítez faction allegedly tampering with the delegate vote. Benítez said that the President of the Coronel Oviedo PLR Committee, Fortunato Barriero, was a González supporter who had, in the course of the last year, lost control of the local mechanism for purely local reasons. As a result of this, the Benítez faction had offered to split the delegate vote from Coronel Oviedo with the González faction. This offer was rejected because the Benítez faction demanded 2/3 of the delegate seats and Barriero choose to go ahead with the local election of delegates. Oral permission was received from the local delegado de gobierno and the González faction began an active campaign to solicit support. Benítez responded by bringing in several hundred voters from Caacupé and the situation on the eve of the precinct convention grew very tense. The delegado de gobierno, fearing an outbreak of violence, cancelled the meeting. Benítez choose to meet with his supporters nonetheless and, in what Burt described as an illegal meeting, conducted a vote and claimed control of the entire 24 member Coronel Oviedo delegation. The González faction protested this meeting to the Party's Campaign Committee and its protest was upheld. The meeting scheduled for the following week was also

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S/S-S:Mr. Mueller
ARA/APU:Mr. Stedman

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cancelled because of possible violence and the González faction held a clandestine meeting, which Burt described as legal within the terms of the PLR Constitution, and voted the Coronel Oviedo delegation to Carlos Alberto González. The Benítez faction protested this meeting and in a meeting of the Party's Campaign Committee, the González faction walked out when it saw it could not defeat the Benítez motion.

Dr. Burt described the situation within the Party as very serious but denied that the González faction would leave the Party should they lose in the up-coming National Convention. Burt said that the González faction was made up of loyal Radical Liberals who placed the Party before personal gain. He hedged, however, by admitting that he did not speak for González on this matter, but only for himself.

is the achievement of a...
Colorado Party and elements of the...
Meantime, Minister of Finance Portes, the leader of the
GDP economic team, has successfully negotiated a standby
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view of the Uruguayan scene, the obstacles confronting the

POL:RJSurber/pa

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November 2, 1972

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President Bordaberry Shows Political Skill

cc: Amb

Biosan Maria Bordaberry, ex-Minister of Agriculture and
Radical Liberal Party File

catia Sanchez, was inaugurated as President of Uruguay on

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CURRENT FOREIGN RELATIONS the long count of last Fall's

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GENERAL IMPROVEMENT IN URUGUAYAN SITUATION

Summary:

President Pacheco. Bordaberry has surprised his critics and pleased his friends by demonstrating skill in moving toward a more popular position in Uruguayan politics while maintaining heavy pressure on the Tupamaros under the law and order banner. In several well-conceived public addresses, he has significant development destined to help the GOU carry on its counterinsurgency fight and to enact much needed reforms and established himself as an unselfish advocate of constructive political cooperation and beneficial reform for Colorado Party and elements of the opposition Blanco Party. Uruguay.

Meantime, Minister of Finance Forteza, the leader of the GOU economic team, has successfully negotiated a standby arrangement with the International Monetary Fund and additional credit facilities from New York, Canadian, and European banks. While these signs suggest a more optimistic view of the Uruguayan scene, the obstacles confronting the administration of President Bordaberry are large, and Uruguayan determination to carry out basic structural reforms has yet to be proven. is apparently more confidence

in Uruguay that the terrorist threat can be successfully reduced and citizens are supplying anti-Tupamaro information

President Bordaberry Shows Political Skill
Juan Maria Bordaberry, ex-Minister of Agriculture and cattle rancher, was inaugurated as President of Uruguay on

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March 1, 1972, following the long count of last Fall's election. Bordaberry was not thought to have much political skill and was expected by many to be a figurehead for former President Pacheco. Bordaberry has surprised his critics and pleased his friends by demonstrating skill in moving toward a more popular position in Uruguayan politics while maintaining heavy pressure on the Tupamaros under the law and order banner. In several well-conceived public addresses, he has maneuvered against the Blanco Party majority in the Congress and established himself as an unselfish advocate of constructive political cooperation and beneficial reform for Uruguay.

Successful Military/Police Operations Against Tupamaros

Notable successes achieved by the Uruguayan security forces in recent weeks include the discovery and destruction of many terrorist centers, and the remarkable rescue of two Uruguayans held prisoner by the Tupamaros for more than a year. Uruguayan security forces are showing greater capacity to obtain intelligence and use it effectively in a coordinated fashion. There is apparently more confidence in Uruguay that the terrorist threat can be successfully reduced and citizens are supplying anti-Tupamaro information to security forces.

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Colorados and Blancos Achieve Partial Political Cooperation

Efforts by President Bordaberry to arrange a Colorado/Blanco coalition have reached partial success. Several Blanco groups under more conservative leadership entered into a written agreement for constructive cooperation. Three Blanco Party members have been named to cabinet posts as part of this arrangement. Dr. Jose Manuel Urraburu was named Minister of Industry and Commerce; Carlos Abdala, Minister of Labor and Social Security; and Ing. Luis Balparda Belengio, Minister of Transport, Communications and Tourism.

The public terms of the understanding include promotion of exports, increased agricultural production through improved land use and tax system, stimulation of employment, industrial promotion law, reform of tax and banking system, increased investments in public works, power and transport, as well as educational and social security reform, improved public administration and increased resources to departmental governments.

While this arrangement still leaves Senator Ferreira, the leader of the largest portion of the Blanco Party, with considerable strength in the Legislature, it does nonetheless give President Bordaberry a slim majority, especially on law and order matters.

Minister of Finance Makes Progress on International Finance Scene

Minister of Finance Forteza, the acknowledged chief of Uruguayan public sector economic entities, visited Washington in April, ostensibly for an abbreviated country review under CIAP auspices. He utilized his time to successfully negotiate with the staff of the IMF a standby for SDR 17.25 million. In addition, he arranged for a compensatory drawing on the IMF for balance of payments short-falls of an equal amount. Following his Washington talks, Forteza visited New York, Canada and Europe, successfully arranging for new credits and extensions on payments for credits previously extended. The IBRD has extended an \$11.2 million livestock loan, and the U.S. Government has provided a \$7.2 million PL480 Title I agreement for wheat imports. In the meantime, vitally important meat exports have begun to increase, responding in part to Uruguayan policy measures. Continued success in improving exports could bolster Minister Forteza's program to reduce inflation and fiscal deficits to more manageable proportions over the next twelve months. A development program to follow the initial stabilization efforts is now being prepared and will be reviewed by the Washington lending agencies in a comprehensive CIAP review to be held in October.

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MEMORANDUM OF CONVERSATION

PARTICIPANTS: Dr. Enzo DOLDAN, Radical Liberal Senator
Mr. John W. Simms, Chief, Political Section
Mr. Russell J. Surber, Political Officer
DATE/PLACE: November 13, 1972. Doldán's Home
SUBJECT: PLR Convention, U.S. Policy in Latin America
DISTRIBUTION: ARA/LA/APU; ARA/RAA; INR/OIL/B

Mr. Surber and Mr. Simms called on Senator Doldán at the latter's request (made at the PLR National Convention) to discuss the following topics:

1. PLR Convention

Senator Doldán accused his fellow Congressman and newly elected Party leader Justo Pastor Benítez of treachery and ungentlemanly behavior in the conduct of his campaign for the Party Presidency. According to Doldán, he and Benítez had secretly agreed four months ago that, in exchange for Doldán's support in the convention, he and his supporters would be included on the Benítez list of candidates for Party offices and Congressional seats. This agreement, which Doldán said was reaffirmed in the presence of PLR Senator Germán Acosta Caballero 8 days before the Convention, caused Doldán to support the Benítez faction in the credentials fight over contested delegations from Marqueta and Coronel Oviedo and substantially contributed to the ultimate Benítez victory. Benítez, however, failed to complete his side of the agreement and published a list of candidates that omitted both Doldán and his most prominent supporters. Doldán, who was obviously upset, described Benítez in the harshest terms and characterized his actions as being typical of the Communists. When Mr. Simms asked if he was accusing Benítez of being a Communist, Doldán said that he would only call Benítez' tactics Communist, and not the man himself.

COMMENT: Doldán, who is one of the old caudillos of the PLR, will undoubtedly use his position in the Party to frustrate the Benítez Presidency at every turn and may well go so far as to align himself with the Party's González faction, which up to this juncture, he has described as Marxist. He is not believed to have the support of a major segment of the Party, however.

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2. Leader Grantee Selection and U.S. Assistance

Doldán was highly critical of the Embassy's selection of PLR Deputy Domingo Laino as a Leader Grantee in early 1972. He described the selection of Laino, whom he had accused in the Party's Extraordinary Convention at the beginning of this year of being a Marxist, as a personal affront to himself and to his followers. Mr. Surber pointed out that Doldán's own Party had exonerated Laino of the charges and that without proof, which Doldán had not provided in support of his accusation, the Embassy could only assume the charges to be mistaken. Mr. Simms added that many Radical Liberal leaders, among them supporters of Doldán, had told the Embassy that, in their opinion, Laino was not a Marxist. Doldán begrudgingly conceded the point, but pointed out that no one of his faction had yet received a Leader Grant and that this showed not only that he and his followers had suffered discrimination, but also that the U.S. rewarded its enemies and ignored its friends.

Doldán then suggested that it would be more profitable for the United States to send campesino leaders as Leader Grantees than politicians of national repute. He based this argument on his belief that the campesino is unaware of the beneficial U.S. role in Paraguay--which he readily conceded--and as such is susceptible to the Communist propaganda which he listens to daily on the radio. Doldán expressed the personal belief that U.S. assistance should be given wider publicity than is presently the case.

Biographic Note: Liberal participation in the forthcoming

It is doubtful that Doldán is irrevocably committed to any ideological stance. Rather, he is a highly political animal who will find a way to survive in the political arena. His strength as a politician apparently lies with the campesino, and the reporting officer has never visited his home without finding several campesino leaders present.

POL:RJSurber/pm

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November 13, 1972

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MEMORANDUM OF CONVERSATION

PARTICIPANTS: Dr. Justo Pastor Benítez, Leader of
Opposition in Chamber of Deputies
John W. Simms, Chief of Political Section

DATE/PLACE: November 2, 1972; Embassy

SUBJECT: Radical Liberal Party Politics; Colorado
Party Politics

DISTRIBUTION: ARA-LA/APU; INR/RAA; INR/OIL/B

Radical Liberal Party Politics

After an exchange of amenities, I asked Benítez how he foresaw the outcome of the contest for the Party Presidency between Dr. Carlos Alberto González and himself. He replied that the strength of the two factions being nearly equal, neither candidate could confidently predict victory. I inquired with which group he expected Senator Enzo Doldán and his followers to ally themselves. In answer, he said that, though Doldán had not yet made his position clear, he believed that the Senator would support his candidacy.

I said that I had been told there were differences of opinion between González and himself on the question of Radical Liberal participation in the forthcoming general elections and on the issue of unification between the Radical Liberals and Levi Liberals and wondered whether he could confirm this. He replied that he did not think González differed with him on either issue; for his own part, he considered participation essential to the Party's survival as a factor of consequence in the political picture and it was a matter of no concern to him whether the Levi Liberals continued as an independent party or not. He believed that both the Levi Liberals and the Febreristas, if the latter decided to participate in the elections, would win fewer votes than they had won in 1968 and that, consequently, his own Party would be the only opposition Party represented in the new Congress.

Embassy AUCUNION
November 7, 1972

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I asked how many votes he thought the Radical Liberals would get. He answered that he hoped to see his Party's vote reach a figure of at least 180,000, or an increase of 40,000 over the 1968 vote. I noted that the Radical Liberals had charged the Government with resorting to fraud on an even greater scale than in 1968 and inquired how his optimistic prediction of an increase in his Party's vote could be reconciled with such charges. In reply, he said that the total number of registered voters was expected to increase by about 200,000, and he thought the Radical Liberal share of the increase might be 40,000.

I asked Benítez what he could tell me regarding the recent events in Coronel Oviedo, where, according to reports I had heard, a district-level convention had been twice postponed owing to police interference. He answered that the whole affair had resulted from an attempt by the González faction to take over the convention; as 24 national convention seats were at stake, more than in any other area, the prize was an important one. There could be no doubt, however, that the vast majority of those eligible to vote at Coronel Oviedo supported his own candidacy. In reply to a question as to why the police should have intervened in that particular place, he said simply, "I cannot explain it."

Colorado Party Politics

I asked Benítez whether he thought that, as some contended, the Colorado Party Convention of September 9-10 had resulted in a significant increase in the relative power of the neo-Colorado group within the ruling Party. Replying affirmatively, he added that this could be demonstrated by the fact that the neo-Colorados now had two of the three political secretaryships, those held by Adán Godoy Jiménez and Mario Abdo Benítez. Moreover, the tradicionalista who had been replaced to make room for Abdo Benítez was Rubén Stanley, rather than Pedro Hugo Peña, who, since he was much more flexible than Stanley, was being allowed to remain for the present. Another sign in the rise of neo-Colorado influence was the appointment of Solicitor General Rodney Elpidio Acevedo as Ambassador to Argentina. I remarked that thus far there had been no official confirmation of the announcement in the press of Acevedo's appointment. Waving this objection aside with a gesture, Benítez declared, "Well, in any case, he's an important figure in Colorado Party politics."

POL/JWSimms:pm
AmEmbassy ASUNCION
November 7, 1972

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MEMORANDUM OF CONVERSATION

PARTICIPANTS: Dr. Pedro Hugo Peña, National Deputy and President,
Colorado Party Electoral Committee;
Dr. Rubén Stanley, National Deputy
Dr. Rigoberto Caballero, National Deputy
J. W. Simms, Chief, Political Section

TIME/PLACE: November 2, 1972, Colorado Party Headquarters

SUBJECT: Election Campaign

DISTRIBUTION: ARA-LA/APU; INR/RAA; INR/OIL/B

I called on Peña by appointment made at my request. Stanley and Caballero joined us after we had been talking for 10-15 minutes but took little part in the conversation.

I asked Peña how the election campaign was going from the Colorado standpoint. He replied that the Party was satisfied its victory would be even greater than in the 1968 elections. Both the rallies at Paraguarí and Concepción had been highly successful, despite inclement weather, and indicated widespread enthusiasm for President Stroessner and the Colorado cause in the countryside. Six or seven more such meetings, including one in the Chaco, would be held before February.

I asked Peña how the election campaign was going from the Colorado standpoint. He replied that the Party was satisfied its victory would be even greater than in the 1968 elections. Both the rallies at Paraguarí and Concepción had been highly successful, despite inclement weather, and indicated widespread enthusiasm for President Stroessner and the Colorado cause in the countryside. Six or seven more such meetings, including one in the Chaco, would be held before February.

I noted that the opposition continued to accuse the regime of trying to hinder the participation of their adherents and asked what he could tell me regarding recent events at Coronel Oviedo, where, according to some, the police had stopped the Radical Liberals from holding their scheduled convention for the district. In answer, Peña denied that the police had done anything but

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prevent certain roads from being used because of the heavy rains. He added that it was the Radical Liberals who were resorting to fraud, not the Colorados who had no need to do so: in Encarnación, for example, it had been discovered that the Radical Liberals had registered more than 600 voters twice. The opposition accused the Government of manipulating the elections, adducing in support of their accusation Colorado predictions regarding the size of the pro-Colorado vote. It was not because the vote was manipulated but simply because the Colorado Party was so well organized that it was possible to forecast the outcome of the election.

I asked how many votes the Colorado Party expected to get. Peña replied that current expectations were that the Colorado vote would be on the order of 520,000, as compared with 465,000 in 1968. This would represent 77-80% of the total vote. I inquired how he saw the minor opposition parties--the Liberals and Febreristas--faring. In answer, he expressed the view that the former might well increase their vote, profiting from the difficulties of the Radical Liberals, and that the latter would probably not participate at all, preferring not to make the decline in their strength a matter of record.

POL:JWSinms/pm
AmEmbassy ASUNCION
November 10, 1972

cc: Amb
Rios
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S/S-S.Mr. Mullen

File Pol Gen

July 17, 1972

Excellency:

I have the honor to acknowledge the receipt of your note No. 11/72 dated July 4, 1972, and wish to thank you very much for your kind congratulations on the anniversary of American independence.

Accept, Excellency, the renewed assurances of my highest consideration.

For the Secretary of State:

His Excellency

Roque J. Avila

Ambassador of Paraguay

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